

REPORT and STATEMENT

**DOMINION BRIDGE
COMPANY LIMITED**

FOR YEAR ENDED
31st OCTOBER

1943



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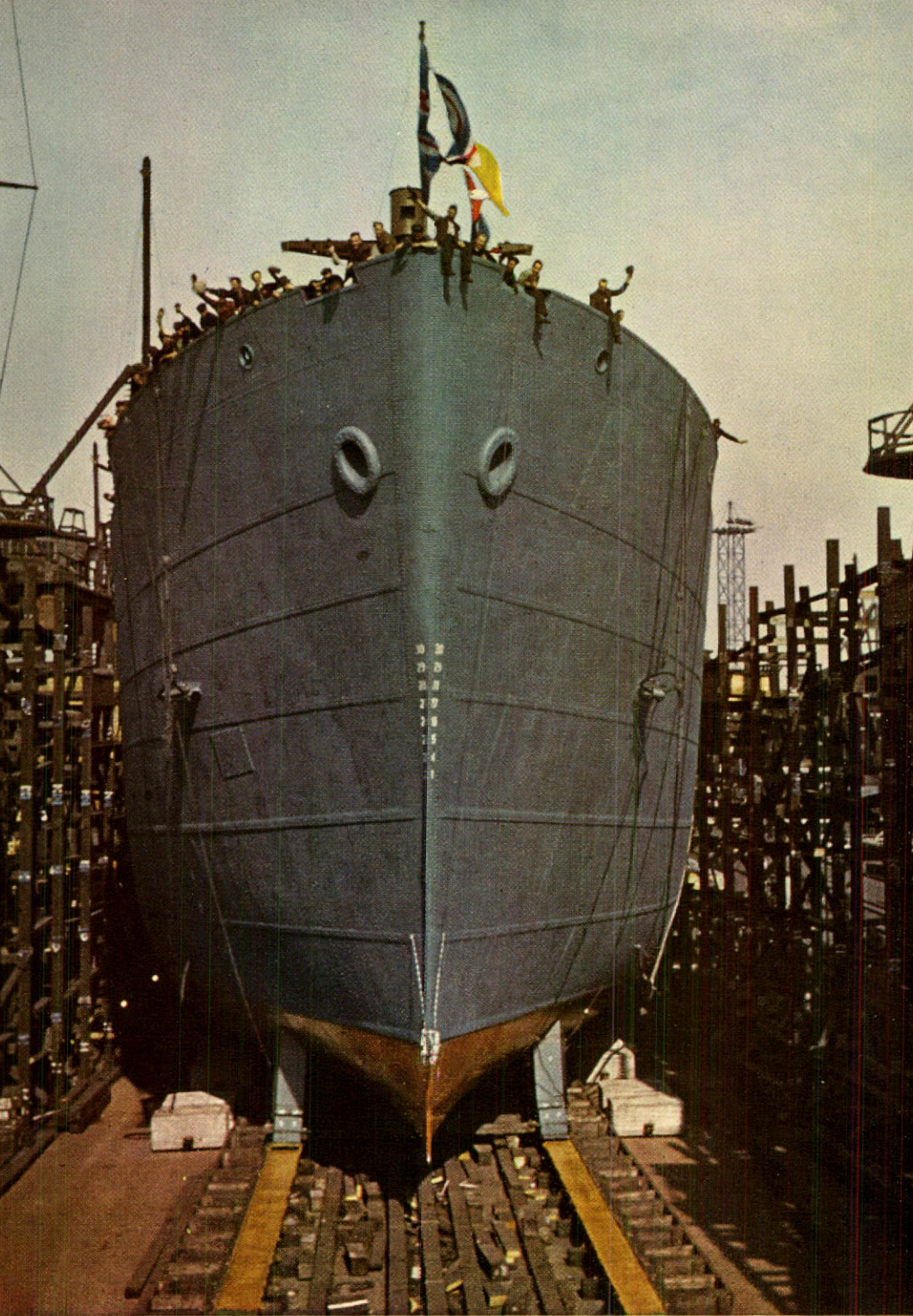
McGILL UNIVERSITY

ANNUAL

REPORT

*For the Fiscal Year
Ended 31st October*

1943



Launching of the S.S. FORT HENLEY at United Shipyards Limited on October 9th, 1943. This is the twentieth 10,000 ton ship launched since the inception of this yard in the Spring of 1942. Each ship represents upwards of 2800 tons of steel fabricated in the shops of the Dominion Bridge Company Limited.

DOMINION BRIDGE COMPANY LIMITED

DIRECTORS

G. H. DUGGAN.....	Chairman of the Board
W. F. ANGUS.....	President and Managing Director
W. TAYLOR-BAILEY.....	Vice-President and General Manager
L. J. BELNAP.....	Montreal
JOHN BURNS.....	Calgary
C. H. CARLISLE.....	Toronto
NORMAN J. DAWES.....	Montreal
T. R. DEACON.....	Winnipeg
A. A. HODGSON.....	Montreal
ROSS H. McMASTER.....	Montreal
G. H. MONTGOMERY, K.C....	Montreal
HOWARD MURRAY.....	Montreal
W. G. MURRIN.....	Vancouver
PAUL F. SISE.....	Montreal
H. G. WELSFORD.....	Montreal
JAMES WILSON.....	Montreal
MORRIS W. WILSON.....	Montreal

HEAD OFFICE - LACHINE, P.Q.

F. W. EVENS—Secretary-Treasurer

EXECUTIVE OFFICERS

W. F. ANGUS.....	President and Managing Director
W. TAYLOR-BAILEY.....	Vice-President and General Manager
S. W. CAMPBELL.....	Vice-President and Manager Western Division
F. P. SHEARWOOD.....	Consulting Engineer
F. NEWELL.....	Chief Engineer
J. L. HEALD.....	Comptroller
F. W. EVENS.....	Secretary-Treasurer

MANUFACTURING DIVISIONS AND OFFICES

Eastern Division.....	A. H. COWIE.....	Manager, Lachine, P.Q.
Ontario Division.....	G. P. WILBUR.....	Manager, Toronto, Ont.
Western Division.....	S. W. CAMPBELL.....	Vice-President, Winnipeg, Man.
Pacific Division.....	A. S. GENTLES.....	Manager, Vancouver, B.C.

BRANCH PLANTS

AMHERST, N.S.....	J. F. F. MacKENZIE.....	Local Manager
OTTAWA, ONT.....	W. A. MATTICE.....	Local Manager
CALGARY, ALTA.....	J. P. CARROLL.....	Local Manager

AGENCIES

MONTREAL, P.Q.....	C. S. KANE, Divisional Sales Manager...	Lachine, P.Q.
EDMONTON, ALTA.....	D. J. CARTER, Agent.....	106th and 121st Street
REGINA, SASK.....	H. CRABTREE, Agent.....	1769 Hamilton Street

DOMINION BRIDGE COMPANY LIMITED

18th January, 1944.

To the Shareholders of

DOMINION BRIDGE COMPANY, LIMITED

Your Directors submit the Annual Report of the Company together with Balance Sheet as at 31st October, 1943, and Profit and Loss Account for the year ended that date.

The result of the year's operations shows a net profit of \$929,060.42 after making provision for depreciation to the extent of \$1,605,126.58 and providing for income and excess profits tax payable, for which there has been reserved the sum of \$6,267,698.63, of which \$1,111,419.79 is refundable.

Working Capital as of 31st October, 1943, stands at \$10,331,000.00 in round figures, as compared with \$9,309,000.00 at the end of the previous year, an increase of \$1,022,000.00.

Expenditure on Capital Account during the year amounted to \$916,000.00. Much of this expenditure has been made on account of war work on which special depreciation rates are allowed by the Government.

Stocks of raw materials and manufacturing supplies are well assorted and saleable, and inventories have been taken at conservative prices.

The volume of work performed by your Company during the past fiscal year has attained a peak which in quantity, dollar value and diversity of products is far beyond anything in our experience and the gain in the gross operating profits (before Depreciation and Taxes) is the direct result of this abnormal increase in volume.

Orders for structural steel and plate work for Government projects fell off during the year but the shipbuilding programme more than made up for this reduction, bringing large orders for pre-fabricated steel and boilers to your various plants, especially at Lachine and Vancouver.

Mention was made in last year's report of United Shipyards Limited, in which your Company has a half-interest. This company has been very busy and during the last season delivered twenty 10,000-ton cargo ships to the Government.

DOMINION BRIDGE COMPANY LIMITED

Mr. L. J. Belnap, President of the Consolidated Paper Corporation, Limited, and Mr. James Wilson, President of the Shawinigan Water & Power Company, Limited, were elected Directors to fill vacancies on the Board.

Your Directors have declared quarterly dividends of 30c per share, a total of \$1.20 for the year.

Your Directors wish to record their appreciation of the loyalty and efficiency of the staff and the employees throughout the Company's entire organization.

Meetings of your Board of Directors have been held monthly, the books of your Company have been regularly audited and the certificate of your Auditors appears on the Financial Statement herewith submitted.

By Order of the Board of Directors,

W. F. ANGUS,
President.

DOMINION BRIDGE

AND ENTIRELY OWNED

CONSOLIDATED BALANCE SHEET

ASSETS

Fixed Assets:

Real Estate, Plant, Machinery and Equipment.....	\$19,131,605.86	
Less: Depreciation Reserve.....	11,798,955.13	\$7,332,650.73*
*Cost less amounts written off.		
Investments in Partly Owned Subsidiaries at Book Value.....		2,082,336.01
Investments in Other Companies at Book Value—less Reserve.....		96,637.29
		<u>\$ 9,511,624.03</u>

Current Assets

Cash on Hand and in Bank.....		3,240,836.89
Government and Other Bonds and Securities (Approximate Market Value \$2,710,423.58).....		2,485,575.91
Deposits on Tenders.....		55,948.50
Expenditure on Uncompleted Contracts at Standard Cost, less Reserve.....	\$40,401,066.55	
Less: Amounts received on Account....	35,317,654.76	
		<u>5,083,411.79</u>
Accounts and Bills Receivable less Reserve for Doubtful Accounts.....		2,427,984.76
Stock of Steel, Supplies and Small Tools at Cost, which is less than market value—less Reserve.....		4,580,274.85
		<u>17,874,032.70</u>

2,649 Fully Paid No Par Value Shares

held by Trust Companies for sale to employees of Dominion Bridge Company, Limited.....		40,084.10
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Suspended Assets:

Unexpired Insurance Premiums, Taxes and Deferred Charges.....	206,401.53	
Refundable portion of Excess Profits Tax	1,482,433.25	
		<u>1,688,834.78</u>
		<u><u>\$29,114,575.61</u></u>

W. F. ANGUS, *Director*

G. H. DUGGAN, *Director*

COMPANY LIMITED

SUBSIDIARY COMPANIES

STATE AS AT 31st OCTOBER, 1943

LIABILITIES

Capital Stock:

Authorized: 600,000 Shares of No Par Value.

Issued: 513,951 Shares of No Par Value..... \$15,921,366.00

Reserve Accounts:

For Plant Extensions and Betterments..... \$ 1,000,000.00

For Accidents in Erection..... 181,358.36

1,181,358.36

Refundable Portion of Excess Profits Tax.....

1,482,433.25

Earned Surplus Account:

Balance as per Profit and Loss Account.....

2,986,559.42

Current Liabilities:

Dividend payable 25th November, 1943..... 154,185.30

Bank Loan (Secured)..... 129,104.00

Bank Loan for Tender Deposits..... 14,508.00

Reserve for Taxes..... 4,038,253.39

Sundry Accounts Payable..... 3,206,807.89

7,542,858.58

\$29,114,575.61

Montreal, 10th January, 1944.

Submitted in accordance with our Report of even date on the Consolidated Balance Sheet of Dominion Bridge Company, Limited and Wholly Owned Subsidiary Companies.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,

Chartered Accountants,

Auditors.

DOMINION BRIDGE COMPANY LIMITED

AND

ENTIRELY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st OCTOBER, 1943

Profits from Contracts, Interest and Exchange and Miscellaneous Income.....	\$8,611,348.84
Revenue from Investments.....	295,797.55
Profit on sale of Equipment and Bonds (net).....	8,199.47
	\$8,915,345.86

Deduct:

Directors' Fees.....	\$ 24,860.00	
Executive Salaries.....	85,000.00	
Legal Fees.....	3,600.23	
Reserve for Taxes (including refundable portion of Excess Profits Tax).....	6,267,698.63	
Depreciation on Plant, Machinery, etc.....	1,605,126.58	
		7,986,285.44
		\$ 929,060.42

Add:

Balance at Credit 1st November, 1942.....	2,674,240.20
	\$3,603,300.62

Deduct:

Dividend for year.....	616,741.20
Balance as at 31st October, 1943, as per Balance Sheet	
	\$2,986,559.42

RIDDELL, STEAD, GRAHAM & HUTCHISON

CHARTERED ACCOUNTANTS

460 ST. FRANCOIS XAVIER STREET, MONTREAL

10th January, 1944.

To the Shareholders,

DOMINION BRIDGE COMPANY, LIMITED

We have examined and audited the Books and Accounts of Dominion Bridge Company, Limited and its entirely owned Subsidiary Companies for the year ended 31st October, 1943, and report thereon as follows:

The Inventories of Stock on Hand, as certified by responsible officials of the various companies, have been valued on a conservative basis.

The Investments in which your Company is interested have been verified by actual inspection of the Securities or by certificate from the Depositaries in the cases where the Securities are deposited for safe custody or as security.

In accordance with Section 114 of the Dominion Companies' Act we report that no portion of the profits of partly owned subsidiaries (with the exception of dividends actually declared by two of these) is included in these accounts. The aggregate profits pertaining to this company are in excess of the dividends received.

We report that we have obtained all the information and explanations we have required and that, in our opinion, the accompanying Balance Sheet as at 31st October, 1943, is properly drawn up so as to exhibit a true and correct view of the state of the combined companies' affairs, according to the best of our information and the explanations given to us and as shown by the Books of the Companies.

RIDDELL, STEAD, GRAHAM & HUTCHISON,

CHARTERED ACCOUNTANTS.

Auditors.

